

The Sweet Spots, Or, Stop Being Stupid Part 25



By Anna Von Reitz

The value of the money in your pocket depends on oil.

Think about that statement for a full minute. Really think.

Oil is the commodity asset backing the corporate funny money called the UNITED STATES DOLLAR (USD). That is why it is also known as the "Petrodollar".

The value of your labor is tied to oil. The value of your house is tied to oil. The value of your land is tied to oil. And so is the cost of your food, your education, your medical care, and everything else you can think of.

It has been this way since 1971, but somehow, the news still hasn't come home to Main Street.

When Nixon changed the asset base backing of the UNITED STATES (INC.) currency to oil instead of silver, your fundamental well-being and prosperity became inextricably linked to oil and it will remain that way until we, and that means Americans and US citizens alike, find a new way forward.

So let's look at the logic and end result of Tricky Dick's Gamble. We have become the largest per capita consumers of energy on the planet. We have also become by far the richest per capita country if we include the value of managed trust assets. Nixon's move to the Petrodollar has fundamentally changed the way we live and has fueled the technical revolution and made globalization possible. It has also caused wars and numerous police actions, governmental corruption, pollution of the environment, and growing social unrest.

You have to account for both the good and the bad.

Now, new technology is threatening the oil market. Free Energy electrical generators are coming online and they will inexorably bring their changes to the planet and to the commodity markets of the world, too. We will no longer have to depend on The Grid and no longer have to fuel giant coal, gas, and diesel turbines to push electrons through millions of miles-worth of electrical cable lines. New modes of transportation won't be far behind.

The transition of the whole world to the use of these new energy devices won't come overnight, but it will come. There will continue to be demand for fossil fuels, but not like it is today, and slowly but surely the industry that has been compared to an "eight hundred pound gorilla in a glass factory" will fade away.

A hundred years from now our children's grandchildren will look back on Big Oil and our present nuclear power generation processes the same way that we look at the whale oil industry – something odd and best left forgotten except for a sporadic re-reading of Moby Dick and in our case, Atlas Shrugged.

That's what is coming and it's good. We need to embrace it and have no choice in the matter anyway.

Other countries not as blessed with energy resources like China and Japan, countries with large impoverished populations like India and most of Africa, and countries with topography ill-suited to conventional electrical grid development like Peru, have powerful economic and practical reasons to develop Free Energy and we can't blame them or stop them from doing so.

As a result of the development of Free Energy, mankind as a whole will be released from the burden of supporting utility companies, the wholesale pollution of the atmosphere will cease, and we will no longer have disasters like the Exxon Valdez, BP Deep Horizon, and Fukushima to worry about.

As with any commodity market, the supply versus demand curve for oil follows a hyperbolic curve. Along that curve at each point is a "Sweet Spot" where supply and demand are in alignment. The Saudi government has long had a grasp of this mathematical relationship and can peg their output to their best price relative to demand for oil within a hair's breadth. There is another Sweet Spot that exists on the consumer side of the equation, where we cut our demand for a commodity to realize our best price.

Americans are both the greatest consumers of fossil fuel energy on the planet and, in terms of refined oil products, the greatest long term producers of refined fossil fuels. For us, then, there are two Sweet Spots of concern. When we cut our consumption of fossil fuel, our "demand" in other words, we drive the cost down in our role as consumers, but we suffer in our role as producers.

For us, the oil economy is a yin and yang proposition where maximizing overall benefit demands balancing both our demand and our supply. Let me submit that while the crude oil producers of the world have precise control of supply, no remotely similar effort has been made to balance and analyze --- much less control --- demand.

As the energy market shifts and changes and Free Energy comes on line it will be of exponential benefit for all concerned if our country focuses on intelligent, conscious, and long term energy consumption as well as energy production policies. More efficient use of energy, better deployment and diversification of fuel choice options, better fuel delivery systems, and investment in fuel economy measures--- like public transportation— all make sense. The entry of Free Energy technology into the marketplace and the environmental, social, and economic challenges of making this transition requires no less of us.

It all has to balance out, and over time, the dependence of the UNITED STATES DOLLAR on oil assets has to change along with everything else.

So against this vast and changing worldwide energy market background, we have to consider the Keystone and Dakota Access pipelines.

America has been blessed with vast natural reserves of fossil fuels, but thanks to policies set in place in the early 1900's, the majority of those resources have never been developed. Only recently have the oil and gas reserves of the Midwest been tapped. The pressure to do so has been the result of both increased price gouging by Middle Eastern suppliers of crude oil to our refineries and the realization that long term value of the resource is no longer increasing. Instead, we are facing a use-it-or-lose-it market.

Building both the Keystone XL and the DAPL pipelines in such an environment is a no-brainer and time is of the essence---- that is, if Americans want to keep eating and stay warm in the winter and be able to bootstrap their way forward.

Because our old natural resource development policy circa 1908 was against the development of our own resources ("let the other guy develop his resources and let us buy them for pennies on the dollar while keeping our own in reserve") a great amount of anti-development propoganda has been used over the years and not a

little fear-mongering to curtail American resource development. Now, suddenly, that has to change.

We all need to understand why and we all have to make the change, at least when it comes to hauling our gas and oil reserves out of the ground and making use of them. I want to point out that I am an Alaskan and that our TransAlaska Pipeline (TAPS) has functioned perfectly for going on 50 years and is still pumping oil cleanly, efficiently, and without spills through some of the most challenging and remote country on Earth. It is a living testimony to American engineering skill and what is possible when we make safe, efficient pipeline design and operations our goal. Neither the Keystone XL nor the DAPL pipeline represent anything like the challenges presented by TAPS--- and they are being proposed using today's engineering, materials, and monitoring systems – not those available fifty years ago.

If TAPS can do its job in Alaska for going on five decades, there's no reason to think that Keystone XL and DAPL (which is a much smaller diameter) can't function safely and efficiently for the twenty or thirty years they need to function during a worldwide energy source transition.

If there are concerns about river crossings and spills in aquifers, we can put pipelines inside of pipelines, build in shut off and double shunting valve systems, and we already have state of the art computerized monitoring systems capable of constant online monitoring of modern pipeline installations so that the moment there is any pressure loss anywhere in the system, the alarms go off and the valves shut down. Even if there's an Earthquake, a dam or bridge collapse, or other disaster that impacts a modern pipeline, the entire system is designed to shut down just like electric space heaters are designed to shut down if they fall over.

As for the DAPL route crossing sacred ground, well, the Native groups will have to consider whether or not the economic benefit is worth disturbing Earth Mother or not. If not, we will have to find another route and other people will benefit --- but it is sure that the environmental danger of doing what we are doing now --- which is shipping massive amounts of needed crude oil to East Coast refineries via train cars is far, far greater than building a pipeline to do the same thing. Those who watched the movie Unstoppable, based on a true story, will have a sense of what carrying gas and oil products by rail can mean.

Three things are certain--- the value of the US currency is now totally based on oil and oil derivatives, the long term value of the oil and gas reserves in the ground is going downhill and all the people on the East Coast need both affordable fuel and jobs. Those considerations add up to the fact that rerouted or not, DAPL needs to be built.

Both from our perspective as consumers and as producers the need to access gas and oil for use on the East Coast is apparent. The efficient use of idle East Coast refinery capacity to free up Gulf and West Coast refineries for export volume is less obvious, but just as important. We have to hit both Sweet Spots --- produce refined oil products for export and consume our own oil for lower cost energy at home while there is still need for large volumes of oil and gas.

We need to do this to grubstake our way into the future, to reinvest in other assets backing the UNITED STATES DOLLAR, to enable a large shift in our long term investment and development strategies, to bring our country into alignment with the valid needs of the rest of the world for cheap energy and a clean environment, and to provide energy for our own use during the 20-30 year transition.

Bear in mind that our super-fastidious permitting process commonly takes twice as long as the actual engineering and building of a pipeline and that building a pipeline like the Keystone XL can easily take four years of actual construction. Now set that against a viable market life of 20 – 30 years and you begin to see that we are in a time crunch, a veritable race to make it to market while there is a market.

The situation in the Middle East, China, and elsewhere is not much different owing to the fact that everyone on Earth is more or less dependent on the value of the UNITED STATES DOLLAR--- which is tied to oil and gas. The other countries can't sell off bonds and other investments in USD without devaluing their own investments. They have every reason in the world to cooperate with us in developing and implementing new asset bases for US currency.

The easiest transition in terms of finding additional and/or alternative asset backing for a common currency is to come back whence we came. American state nationals need to restore the proper functioning of the actual state governments and to convene an actual Continental Congress (as opposed to the corporate version in Washington, DC) to mandate re-issuance of American Silver Dollars (usd). This will form a basis for the UNITED STATES to trade with both the American states and the BRICS nations in a mutually beneficial way and ease the path forward.

We are not alone in facing this transition, but as the USD is based on oil asset backing, we are in a peculiarly exposed position. If we don't move off the dime and make use of the common sense and natural resources we are heir to we will miss the boat. Science and progress march onward. The self-interested delay in the development of Free Energy caused by JP Morgan, James Clerk Maxwell, and George Westinghouse has lasted a century. The Chinese, Russian, and Indian governments are all here to tell us that it won't be tolerated anymore.

The world needs Free Energy and it needs clean energy. Average Mom and Pop Americans need Free Energy as much as anyone else, and are depending upon the federal government to find the Sweet Spots--- the means to move forward and make a smooth transition to new asset backing for the USD, maximize current export opportunities and refinery capacities, provide abundant affordable fuel at home--- and do all this while maintaining the overall value of the UNITED STATES DOLLAR. My assessment? It's a tall order, but it can be done, and it is already clear that this is the path that Donald Trump is on.

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